

# United States Senate

WASHINGTON, DC 20510

December 11, 2009

The Honorable Harry Reid  
Majority Leader of the Senate  
S-221 Capitol Building  
Washington, D.C. 20510

Dear Majority Leader Reid:

Thank you for all of the hard work you and your entire leadership team are doing to advance historic health care reform legislation. We appreciate the difficult task you are faced with and stand ready to assist you in facilitating this process.

We are concerned however that a possible final health care compromise may include a Medicare buy-in program for Americans aged 55-64 without addressing inequities in the current Medicare reimbursement rates. We appreciate the rationale underlying the proposed Medicare expansion, but fear that provider shortages in states with low reimbursement rates such as ours will make such a program ineffective, or even worsen the problems states are experiencing.

Our states consistently lag behind other states on Medicare reimbursement and per capita spending. While there are provisions in the Senate bill to eventually adjust the geographic disparities in Medicare, possible improvements to the funding formula, if they occur, will be years away. We strongly believe that a fundamental way to achieve the goal of more efficiency in Medicare is to realign the Medicare payment system to reward health care providers for the *quality* of care they deliver, not simply the quantity of services they provide.

We represent states and regions that have demonstrated true leadership in lowering costs to Medicare while increasing the quality of care patients receive. The "high efficiency" areas we represent are known for utilizing integrated health delivery systems and innovative quality measures to provide Medicare beneficiaries with better value. Research shows that these efficient delivery practices can save the Medicare program upwards of \$100 billion a year, while also providing beneficiaries better access to the care they need. Unfortunately, the current Medicare payment structure penalizes those who provide efficient care, while rewarding those who order unnecessary tests and services.

Creating a Medicare buy-in program that reimburses providers at current Medicare rates and according to today's payment structure will exacerbate the existing funding inequity. Medicare is spending over one-third more for each Medicare beneficiary in some states compared to ours. The combination of an antiquated payment formula that tends to penalize rural providers and greater medical efficiency in our states has forced many physicians to stop accepting Medicare patients or limit the number of Medicare patients they serve. Increasing the number of Medicare patients under a buy-in proposal without fixing the Medicare reimbursement rate will further exacerbate this access problem. To make a Medicare buy-in program successful, it is critical that we find ways to incentivize providers to see more Medicare patients.

We thank you for your continued vigilance in working to move the process forward. We look forward to working with you towards resolution of this particular problem and passage of historic health care reform legislation.

Sincerely,

Jeffrey A. Merkley

Amy Klobuchar

Muri Cantu

Al Franken

Rap

Deanne Shaker

Patrick Leahy

Tom Udall

Jim Johnson

Byron L. Dorgan

Mark Udall

Nina Fierl

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